

27 January 1959

MEMORANDUM FOR: Office of Logistics/Procurement Division/Contract Branch

SUBJECT : Contract RD-155, Task 2, with [redacted]
[redacted] Request for Additional Funds and
Extension of Time

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1. Task 2 under Contract RD-155 with [redacted]

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[redacted] 1, was established in October 1958 for research and development directed towards the fabrication of an aerial dispatching system compatible for a C-54 type aircraft. Funds in the amount of \$18,630.56 were obligated for performance under this task which was to have been completed by 8 January 1959. The contractor satisfactorily completed the first phase of the work as called for in their original proposal dated 11 August 1958 in December; however, in endeavoring to meet a rigid time schedule, an increase in manufacturing costs resulted in the contractor over expending under Task 2 in the amount of \$4,772.76. It is therefore requested that Task 2 under Contract RD-155 be amended in this amount thereby bringing the total amount obligated for this task to \$22,107.34. The contractor's letter, dated 20 January, with a breakdown of the over expenditure is attached.

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2. At the present time we are awaiting a new proposal from [redacted]

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[redacted] for the continuation of this work which will involve remodification of the initial prototype for field evaluation purposes. It is therefore requested that the expiration date of Task 2 be extended from 8 January until 8 July 1959 in order that the work may be carried out under one continuous program.

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3. Charges for the additional funds requested above are to be made against Allotment Number 9-2902-75-901.

4. Additional information concerning this program may be obtained by contacting the undersigned or the project engineer, [redacted]
extension [redacted]

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[redacted]

[redacted]
TBS/Engineering Division

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Attachments:

TBS-913-27-1495-59
Contr'r's ltr dtd 20 Jan 1959

APPROVED FOR THE OBLIGATION OF FUNDS:

Research Director

Distribution:

Orig & 1 - Addressee	1 - TBS/LB
1 - Comptlr	1 - TBS/OC
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1 - TBS/SOO	1 - ED-188B
1 - AA File	1 - ED Chron

Date

DD/P/TBS/SD/MC

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TRANSMITTAL SLIP		DATE <i>1/21/59</i>
TO: <i>, TSS/ED</i>		
ROOM NO.	BUILDING	
REMARKS: <div style="text-align: center;"><i>Lorne, this is the one we have already taken care</i></div>		
FROM: <i>RYDB/PD/OL</i>		
ROOM NO. <i>1405</i>	BUILDING <i>GTRSI</i>	<div style="border: 1px solid black; width: 80px; height: 80px; margin: 0 auto;"></div>

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED

(47)

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Add-59/300 - 1/20

File 00-188B

55721/C-379

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January 20, 1959

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Subject: Contract RD-155 - Task Order No. 2

Dear

By letter of December 29, 1958, we advised your office that the funds expended in the performance of the subject Task Order had exceeded the estimated contract cost allocated to this Task. The over expenditure resulted from the decrease in time for performance occasioned by your request for an advance in the completion date. To meet your request, the level of activity on the program was substantially increased during the few days just prior to the completion date, resulting in a greatly increased rate of expenditure of contract funds during that period.

This high level of activity required to complete the manufacturing phase during the foreshortened time span caused our manufacturing costs to increase beyond the amount originally estimated, as shown by the following comparison:

	<u>Estimated Cost</u>	<u>Actual Cost</u>
Engineering Labor	\$ 4,650.50	\$ 4,394.95
Engineering Overhead	3,720.40	3,603.06
Manufacturing Labor	2,673.11	4,143.26)
Manufacturing Overhead	2,502.89	4,970.51)
Material & Purchased Parts	1,544.75	2,423.83
Direct Charges	525.00	23.48
General & Administrative	1,717.83	2,548.15
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TOTAL	\$17,334.48	\$22,107.24

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Page 2 - Letter, [REDACTED], Dated January 20, 1959
Subject: Contract RD-155 - Task Order No. 2
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As this breakdown indicates, the increase in manufacturing cost has caused the estimated cost of performance of Task 2 to exceed the contract amount by \$4,772.76. It is requested that the subject Task Order be amended to increase the funds allotted by an amount sufficient to cover this over expenditure.

Very truly yours,

[REDACTED]

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TJH/jf

Copy to:
[REDACTED], Executive Director
Metal Products Research Association
Post Office Box 6132
Apex Station
Washington 4, D. C.

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